

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 1659 – HB 2307

April 11, 2014

SUMMARY OF ORIGINAL BILL: Authorizes victims of certain sexually related offenses to receive payments from the victim's compensation fund even if such victim did not report such crimes within the time frame stipulated by current law.

FISCAL IMPACT OF ORIGINAL BILL:

Increase State Expenditures - \$245,100/Criminal Injuries Compensation Fund

Other Fiscal Impact – According to the Department of the Treasury, the federal government reimburses the state 60% for certain, qualified payments from the Criminal Injuries Compensation Fund. Based upon their analysis, some of the additional claims that would be authorized according to the provisions of this bill would likely not qualify for federal reimbursement. As a result there is a potential decrease in federal funds to the state of up to approximately \$147,060 (\$245,100 x 60%).

SUMMARY OF AMENDMENT (012160, 016451): Amendment 012160 deletes Section 3 of the original bill that added language specifying that minor victims of certain sexually related offenses who, for good cause, failed to fully cooperate with police and the district attorney general in the prosecution of the offender are still eligible to make claims from the Criminal Injuries Compensation Fund.

Amendment 016451 specifies that if federal funds are not available for claims authorized by the bill, the state shall not be obligated to use state funds to replace such federal funds.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Increase State Revenue - \$147,100/Criminal Injuries Compensation Fund/
FY16-17 and Subsequent Years

Increase State Expenditures - \$245,100/Criminal Injuries Compensation Fund/
FY14-15 and Subsequent Years

Increase Federal Expenditures - \$147,100/FY16-17 and Subsequent Years

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Assumptions for the bill as amended:

- Based upon analysis of claims from FY12-13, there could potentially be an additional 100 claims approved annually under the provisions of this bill as amended.
- Based upon analysis of claims from FY12-13, each additional claim would be eligible for a payment of approximately \$2,451.
- The recurring increase in state expenditures from the Criminal Injuries Compensation Fund is estimated to be \$245,100 (100 x \$2,451) beginning in FY14-15.
- According to the Department of Treasury, the deletion of Section 3 by the amendment will result in federal reimbursement to the state in an amount equivalent to 60 percent of the claims paid.
- Federal reimbursements to the state are typically paid approximately two years following the expenditure by the state. As a result, the recurring federal reimbursements to the state will begin in FY16-17. Therefore, the recurring increase in state revenue to the Criminal Injuries Compensation Fund is estimated to be \$147,060 (\$245,100 x 60%) beginning in FY16-17.
- Based upon information provided by the Department of Treasury, removing Section 3 from the original bill will not necessarily result in a significant decrease in the number of potential claims, but will result in the partial reimbursement of actual claims.
- It is assumed that the federal reimbursement program will remain in effect. Based upon that assumption, amendment 016451 will have no impact on the bill. As long as the reimbursement program remains in effect, reimbursement to the state will take place up to two years following payment from the Criminal Injuries Compensation Fund and the state cannot guarantee federal reimbursement on any claim until that eligibility determination is made at the federal level.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Lucian D. Geise, Executive Director

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